

Filing status: ☐ Single ☐ Married filing jointly ☐ Married filing separately ☒ Head of household ☐ Qualifying widow(er)

Your first name and initial **DIEGO J. MARTINEZ** Last name **MARTINEZ** Your social security number **[REDACTED]**

Your standard deduction: ☐ Someone can claim you as a dependent ☐ You were born before January 2, 1954 ☐ You are blind

If joint return, spouse's first name and initial Last name Spouse's social security number

Spouse standard deduction: ☐ Someone can claim your spouse as a dependent ☐ Spouse was born before January 2, 1954 ☐ Full-year health care coverage or exempt (see inst.)

☐ Spouse is blind ☐ Spouse itemizes on a separate return or you were dual-status alien

Home address (number and street). If you have a P.O. box, see instructions. Apt. no. **[REDACTED]**

Presidential Election Campaign (see inst.) ☐ You ☐ Spouse

If more than four dependents, see inst. and ☒ here ☐

Dependents (see instructions):		(2) Social security number	(3) Relationship to you	(4) ☒ if qualifies for (see inst.):	
(1) First name	Last name			Child tax credit	Credit for other dependents
[REDACTED]	[REDACTED]		Daughter	☒	☐
				☐	☐
				☐	☐
				☐	☐

Sign Here Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Joint return? See instructions. Keep a copy for your records.

Your signature **[REDACTED]** Date **[REDACTED]** Your occupation **SELF EMPLOYED**

Spouse's signature. If a joint return, **both** must sign. Date **[REDACTED]** Spouse's occupation **[REDACTED]**

If the IRS sent you an Identity Protection PIN, enter it here (see inst.) **[REDACTED]**

If the IRS sent you an Identity Protection PIN, enter it here (see inst.) **[REDACTED]**

Paid Preparer Use Only

Preparer's name **Timothy G. Flavin, EA** Preparer's signature **[REDACTED]** PTIN **[REDACTED]** Firm's EIN **[REDACTED]** Check if: ☒ 3rd Party Designee ☐ Self-employed

Firm's name **Flavin And Associates, Inc.** Phone no. **[REDACTED]**

Firm's address **[REDACTED]**

Attach Form(s) W-2. Also attach Form(s) W-2G and 1099-R if tax was withheld.	1 Wages, salaries, tips, etc. Attach Form(s) W-2	1	
	2a Tax-exempt interest	2a	
	3a Qualified dividends	3a	
	4a IRAs, pensions, and annuities	4a	
	5a Social security benefits	5a	
	6 Total income. Add lines 1 through 5. Add any amount from Schedule 1, line 22	6	53,490.
	7 Adjusted gross income. If you have no adjustments to income, enter the amount from line 6; otherwise, subtract Schedule 1, line 36, from line 6	7	53,503.
	8 Standard deduction or itemized deductions (from Schedule A)	8	49,510.
	9 Qualified business income deduction (see instructions)	9	18,000.
	10 Taxable income. Subtract lines 8 and 9 from line 7. If zero or less, enter -0-	10	6,302.
	11 a Tax (see inst.) 2,755. (check if any from: 1 ☐ Form(s) 8814 2 ☐ Form 4972 3 ☐)	11	25,208.
	b Add any amount from Schedule 2 and check here. ☐	11	2,755.
	12 a Child tax credit/credit for other dependents 2,000.	12	2,000.
	b Add any amount from Schedule 3 and check here. ☐	12	755.
	13 Subtract line 12 from line 11. If zero or less, enter -0-	13	9,028.
	14 Other taxes. Attach Schedule 4	14	9,783.
	15 Total tax. Add lines 13 and 14	15	
	16 Federal income tax withheld from Forms W-2 and 1099	16	
	17 Refundable credits: a EIC (see inst.) b Sch. 8812 c Form 8863	17	
	Add any amount from Schedule 5	17	
	18 Add lines 16 and 17. These are your total payments	18	0.
	19 If line 18 is more than line 15, subtract line 15 from line 18. This is the amount you overpaid	19	
	20a Amount of line 19 you want refunded to you. If Form 8888 is attached, check here. ☐	20a	
	b Routing number c Type: ☐ Checking ☐ Savings		
	d Account number		
	21 Amount of line 19 you want applied to your 2019 estimated tax	21	
	22 Amount you owe. Subtract line 18 from line 15. For details on how to pay, see instructions	22	9,783.
	23 Estimated tax penalty (see instructions)	23	

SCHEDULE 1
(Form 1040)(Rev. January 2020)
Department of the Treasury
Internal Revenue Service**Additional Income and Adjustments to Income**▶ Attach to Form 1040.
▶ Go to www.irs.gov/Form1040 for instructions and the latest information.

OMB No. 1545-0074

2018Attachment
Sequence No. **01**

Name(s) shown on Form 1040

DIEGO J. MARTINEZ

Your social security number

Additional Income	1-9b	Reserved	1-9b	
	10	Taxable refunds, credits, or offsets of state and local income taxes	10	
	11	Alimony received	11	
	12	Business income or (loss). Attach Schedule C or C-EZ	12	56,511.
	13	Capital gain or (loss). Attach Schedule D if required. If not required, check here. ▶ ☐	13	
	14	Other gains or (losses). Attach Form 4797	14	
	15a	Reserved	15b	
	16a	Reserved	16b	
	17	Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E	17	
	18	Farm income or (loss). Attach Schedule F	18	
	19	Unemployment compensation	19	
	20a	Reserved	20b	
	21	Other income. List type and amount <u>NOL</u> See <u>Stm 2</u>	21	-3,021.
	22	Combine the amounts in the far right column. If you don't have any adjustments to income, enter here and include on Form 1040, line 6. Otherwise, go to line 23	22	53,490.
Adjustments to Income	23	Educator expenses	23	
	24	Certain business expenses of reservists, performing artists, and fee-basis government officials. Attach Form 2106	24	
	25	Health savings account deduction. Attach Form 8889	25	
	26	Moving expenses for members of the Armed Forces. Attach Form 3903	26	
	27	Deductible part of self-employment tax. Attach Schedule SE	27	3,993.
	28	Self-employed SEP, SIMPLE, and qualified plans	28	
	29	Self-employed health insurance deduction	29	
	30	Penalty on early withdrawal of savings	30	
	31a	Alimony paid b Recipient's SSN ▶	31a	
	32	IRA deduction	32	
	33	Student loan interest deduction	33	
	34	Tuition and fees. Attach Form 8917	34	
	35	Reserved	35	
	36	Add lines 23 through 35	36	3,993.

BAA For Paperwork Reduction Act Notice, see your tax return instructions.

Schedule 1 (Form 1040) 2018

SCHEDULE 4
(Form 1040)

Department of the Treasury
Internal Revenue Service

Other Taxes

▶ **Attach to Form 1040.**

▶ **Go to www.irs.gov/Form1040 for instructions and the latest information.**

OMB No. 1545-0074

2018

Attachment
Sequence No. **04**

Name(s) shown on Form 1040

DIEGO J. MARTINEZ

Your social security number

[REDACTED]

Other Taxes	57	Self-employment tax. Attach Schedule SE.	57	7,985.
	58	Unreported social security and Medicare tax from: Form a ☐ 4137 b ☐ 8919	58	
	59	Additional tax on IRAs, other qualified retirement plans, and other tax-favored accounts. Attach Form 5329 if required	59	
	60a	Household employment taxes. Attach Schedule H	60a	
	b	Repayment of first-time homebuyer credit from Form 5405. Attach Form 5405 if required	60b	
	61	Health care: individual responsibility (see instructions)	61	1,043.
	62	Taxes from: a ☐ Form 8959 b ☐ Form 8960 c ☐ Instructions; enter code(s)	62	
	63	Section 965 net tax liability installment from Form 965-A. ... 63		
	64	Add the amounts in the far right column. These are your total other taxes . Enter here and on Form 1040, line 14.	64	9,028.

BAA For Paperwork Reduction Act Notice, see your tax return instructions.

Schedule 4 (Form 1040) 2018

SCHEDULE C
(Form 1040)

Department of the Treasury
Internal Revenue Service (99)

Profit or Loss From Business
(Sole Proprietorship)

► Go to www.irs.gov/ScheduleC for instructions and the latest information.
► Attach to Form 1040, 1040NR, or 1041; partnerships generally must file Form 1065.

OMB No. 1545-0074

2018

Attachment
Sequence No. **09**

Name of proprietor DIEGO J. MARTINEZ		Social security number (SSN) [REDACTED]
A Principal business or profession, including product or service (see instructions) LEGAL ASSISTANCE	B Enter code from instructions [REDACTED]	
C Business name. If no separate business name, leave blank. DM SERVICES	D Employer ID number (EIN) (see instr.) [REDACTED]	
E Business address (including suite or room no.) [REDACTED] City, town or post office, state, and ZIP code [REDACTED]		
F Accounting method: (1) ☒ Cash (2) ☐ Accrual (3) ☐ Other (specify) _____		
G Did you 'materially participate' in the operation of this business during 2018? If 'No,' see instructions for limit on losses. ☒ Yes ☐ No		
H If you started or acquired this business during 2018, check here _____ ☐		
I Did you make any payments in 2018 that would require you to file Form(s) 1099? (see instructions) ☒ Yes ☐ No		
J If 'Yes,' did you or will you file required Forms 1099? ☒ Yes ☐ No		

Part I Income

1 Gross receipts or sales. See instructions for line 1 and check the box if this income was reported to you on Form W-2 and the 'Statutory employee' box on that form was checked. ☐	1	230,095.
2 Returns and allowances.	2	
3 Subtract line 2 from line 1.	3	230,095.
4 Cost of goods sold (from line 42).	4	
5 Gross profit. Subtract line 4 from line 3.	5	230,095.
6 Other income, including federal and state gasoline or fuel tax credit or refund (see instructions).	6	
7 Gross income. Add lines 5 and 6.	7	230,095.

Part II Expenses. Enter expenses for business use of your home **only** on line 30.

8 Advertising.	8	1,688.	18 Office expense (see instructions)	18	929.
9 Car and truck expenses (see instructions).	9		19 Pension and profit-sharing plans.	19	
10 Commissions and fees.	10		20 Rent or lease (see instructions):		
11 Contract labor (see instructions).	11		a Vehicles, machinery, and equipment.	20a	
12 Depletion.	12		b Other business property.	20b	13,236.
13 Depreciation and section 179 expense deduction (not included in Part III) (see instructions).	13	775.	21 Repairs and maintenance.	21	
14 Employee benefit programs (other than on line 19).	14		22 Supplies (not included in Part III).	22	3,435.
15 Insurance (other than health).	15	1,395.	23 Taxes and licenses.	23	215.
16 Interest (see instr.):			24 Travel and meals:		
a Mortgage (paid to banks, etc.).	16a		a Travel.	24a	1,272.
b Other.	16b		b Deductible meals (see instructions).	24b	3,501.
17 Legal and professional services.	17	260.	25 Utilities.	25	9,945.
			26 Wages (less employment credits).	26	
			27a Other expenses (from line 48).	27a	136,933.
			b Reserved for future use.	27b	
28 Total expenses before expenses for business use of home. Add lines 8 through 27a.	28	173,584.			
29 Tentative profit or (loss). Subtract line 28 from line 7.	29	56,511.			
30 Expenses for business use of your home. Do not report these expenses elsewhere. Attach Form 8829 unless using the simplified method (see instructions). Simplified method filers only: enter the total square footage of: (a) your home: _____ and (b) the part of your home used for business: _____. Use the Simplified Method Worksheet in the instructions to figure the amount to enter on line 30.	30				
31 Net profit or (loss). Subtract line 30 from line 29. • If a profit, enter on both Schedule 1 (Form 1040), line 12 (or Form 1040NR, line 13) and on Schedule SE, line 2 . (If you checked the box on line 1, see instructions). Estates and trusts, enter on Form 1041, line 3 . • If a loss, you must go to line 32.	31	56,511.			
32 If you have a loss, check the box that describes your investment in this activity (see instructions). • If you checked 32a, enter the loss on both Schedule 1 (Form 1040), line 12 (or Form 1040NR, line 13) and on Schedule SE, line 2 . (If you checked the box on line 1, see the line 31 instructions). Estates and trusts, enter on Form 1041, line 3 . • If you checked 32b, you must attach Form 6198 . Your loss may be limited.			32a ☐ All investment is at risk.		
			32b ☐ Some investment is not at risk.		

SCHEDULE C
(Form 1040)

Profit or Loss From Business
(Sole Proprietorship)

OMB No. 1545-0074

2018

Attachment
Sequence No. **09**

Department of the Treasury
Internal Revenue Service (99)

▶ Go to www.irs.gov/ScheduleC for instructions and the latest information.
▶ Attach to Form 1040, 1040NR, or 1041; partnerships generally must file Form 1065.

Name of proprietor

DIEGO J. MARTINEZ

Social security number (SSN)

B Enter code from instructions

▶ **541990**

A Principal business or profession, including product or service (see instructions)

LEGAL ASSISTANCE

C Business name. If no separate business name, leave blank.

DM SERVICES

D Employer ID number (EIN) (see instr.)

E Business address (including suite or room no.) ▶

City, town or post office, state, and ZIP code

F Accounting method: (1) ☒ Cash (2) ☐ Accrual (3) ☐ Other (specify) ▶

G Did you 'materially participate' in the operation of this business during 2018? If 'No,' see instructions for limit on losses. ☒ Yes ☐ No

H If you started or acquired this business during 2018, check here. ☐ Yes ☐ No

I Did you make any payments in 2018 that would require you to file Form(s) 1099? (see instructions). ☒ Yes ☐ No

J If 'Yes,' did you or will you file required Forms 1099? ☒ Yes ☐ No

Part I Income

1 Gross receipts or sales. See instructions for line 1 and check the box if this income was reported to you on Form W-2 and the 'Statutory employee' box on that form was checked. ☐	1	230,095.
2 Returns and allowances.	2	
3 Subtract line 2 from line 1.	3	230,095.
4 Cost of goods sold (from line 42).	4	
5 Gross profit. Subtract line 4 from line 3.	5	230,095.
6 Other income, including federal and state gasoline or fuel tax credit or refund (see instructions).	6	
7 Gross income. Add lines 5 and 6.	7	230,095.

Part II Expenses. Enter expenses for business use of your home **only** on line 30.

8 Advertising.	8	1,688.	18 Office expense (see instructions).	18	929.
9 Car and truck expenses (see instructions).	9		19 Pension and profit-sharing plans.	19	
10 Commissions and fees.	10		20 Rent or lease (see instructions):		
11 Contract labor (see instructions).	11		a Vehicles, machinery, and equipment.	20a	
12 Depletion.	12		b Other business property.	20b	13,236.
13 Depreciation and section 179 expense deduction (not included in Part III) (see instructions).	13	775.	21 Repairs and maintenance.	21	
14 Employee benefit programs (other than on line 19).	14		22 Supplies (not included in Part III).	22	3,435.
15 Insurance (other than health).	15	1,395.	23 Taxes and licenses.	23	215.
16 Interest (see instr.):			24 Travel and meals:		
a Mortgage (paid to banks, etc.).	16a		a Travel.	24a	1,272.
b Other.	16b		b Deductible meals (see instructions).	24b	3,501.
17 Legal and professional services.	17	260.	25 Utilities.	25	9,945.
28 Total expenses before expenses for business use of home. Add lines 8 through 27a.	28	173,584.	26 Wages (less employment credits).	26	
29 Tentative profit or (loss). Subtract line 28 from line 7.	29	56,511.	27a Other expenses (from line 48).	27a	136,933.
30 Expenses for business use of your home. Do not report these expenses elsewhere. Attach Form 8829 unless using the simplified method (see instructions). Simplified method filers only: enter the total square footage of: (a) your home: _____ and (b) the part of your home used for business: _____. Use the Simplified Method Worksheet in the instructions to figure the amount to enter on line 30.	30		b Reserved for future use.	27b	
31 Net profit or (loss). Subtract line 30 from line 29. • If a profit, enter on both Schedule 1 (Form 1040), line 12 (or Form 1040NR, line 13) and on Schedule SE, line 2 . (If you checked the box on line 1, see instructions). Estates and trusts, enter on Form 1041, line 3 . • If a loss, you must go to line 32.	31	56,511.			

32 If you have a loss, check the box that describes your investment in this activity (see instructions).

• If you checked 32a, enter the loss on both **Schedule 1 (Form 1040), line 12** (or **Form 1040NR, line 13**) and on **Schedule SE, line 2**. (If you checked the box on line 1, see the line 31 instructions). Estates and trusts, enter on **Form 1041, line 3**.

• If you checked 32b, you **must** attach **Form 6198**. Your loss may be limited.

32a ☐ All investment is at risk.

32b ☐ Some investment is not at risk.

Part III Cost of Goods Sold (see instructions)

33 Method(s) used to value closing inventory: a ☐ Cost b ☐ Lower of cost or market c ☐ Other (attach explanation)	
34 Was there any change in determining quantities, costs, or valuations between opening and closing inventory? If 'Yes,' attach explanation.....	☐ Yes ☐ No
35 Inventory at beginning of year. If different from last year's closing inventory, attach explanation.....	35
36 Purchases less cost of items withdrawn for personal use.....	36
37 Cost of labor. Do not include any amounts paid to yourself.....	37
38 Materials and supplies.....	38
39 Other costs.....	39
40 Add lines 35 through 39.....	40
41 Inventory at end of year.....	41
42 Cost of goods sold. Subtract line 41 from line 40. Enter the result here and on line 4.....	42

Part IV Information on Your Vehicle. Complete this part **only** if you are claiming car or truck expenses on line 9 and are not required to file Form 4562 for this business. See the instructions for line 13 to find out if you must file Form 4562.

43 When did you place your vehicle in service for business purposes? (month, day, year) ▶ _____

44 Of the total number of miles you drove your vehicle during 2018, enter the number of miles you used your vehicle for:

a Business _____ **b** Commuting (see instructions) _____ **c** Other _____

45 Was your vehicle available for personal use during off-duty hours?..... ☐ Yes ☐ No

46 Do you (or your spouse) have another vehicle available for personal use?..... ☐ Yes ☐ No

47a Do you have evidence to support your deduction?..... ☐ Yes ☐ No

b If 'Yes,' is the evidence written?..... ☐ Yes ☐ No

Part V Other Expenses. List below business expenses not included on lines 8-26 or line 30.

BONDS PAID	105,171.
CREDIT CARD FEES	5,928.
Dues and Subscriptions	2,298.
INMATE CALLS	4,285.
OTHER FEES	325.
Outside Services	13,555.
Postage	52.
Telephone	5,319.
48 Total other expenses. Enter here and on line 27a.....	48 136,933.

SCHEDULE SE
(Form 1040)

Department of the Treasury
Internal Revenue Service (99)

Self-Employment Tax

► Go to www.irs.gov/ScheduleSE for instructions and the latest information.
► Attach to Form 1040 or Form 1040NR.

OMB No. 1545-0074

2018

Attachment
Sequence No. **17**

Name of person with **self-employment** income (as shown on Form 1040 or Form 1040NR)

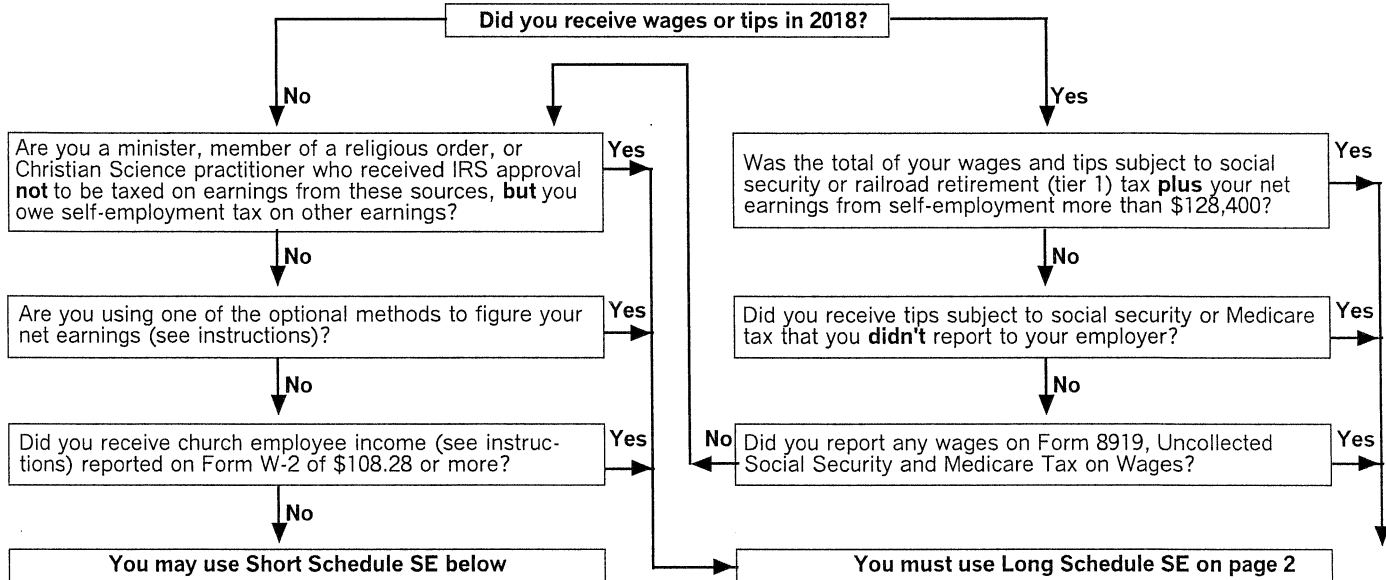
DIEGO J. MARTINEZ

Social security number of person
with **self-employment** income ►

Before you begin: To determine if you must file Schedule SE, see the instructions.

May I Use Short Schedule SE or Must I Use Long Schedule SE?

Note: Use this flowchart **only** if you must file Schedule SE. If unsure, see *Who Must File Schedule SE* in the instructions.



Section A – Short Schedule SE. Caution: Read above to see if you can use Short Schedule SE.

1 a Net farm profit or (loss) from Schedule F, line 34, and farm partnerships, Schedule K-1 (Form 1065), box 14, code A.....	1 a	
b If you received social security retirement or disability benefits, enter the amount of Conservation Reserve Program payments included on Schedule F, line 4b, or listed on Schedule K-1 (Form 1065), box 20, code AH.....	1 b	
2 Net profit or (loss) from Schedule C, line 31; Schedule C-EZ, line 3; Schedule K-1 (Form 1065), box 14, code A (other than farming); and Schedule K-1 (Form 1065-B), box 9, code J1. Ministers and members of religious orders, see instructions for types of income to report on this line. See instructions for other income to report.....	2	56,511.
3 Combine lines 1a, 1b, and 2.....	3	56,511.
4 Multiply line 3 by 92.35% (0.9235). If less than \$400, you don't owe self-employment tax; don't file this schedule unless you have an amount on line 1b.....	4	52,188.
Note: If line 4 is less than \$400 due to Conservation Reserve Program payments on line 1b, see instructions.		
5 Self-employment tax. If the amount on line 4 is: • \$128,400 or less, multiply line 4 by 15.3% (0.153). Enter the result here and on Schedule 4 (Form 1040), line 57, or Form 1040NR, line 55 • More than \$128,400, multiply line 4 by 2.9% (0.029). Then, add \$15,921.60 to the result. Enter the total here and on Schedule 4 (Form 1040), line 57, or Form 1040NR, line 55	5	7,985.
6 Deduction for one-half of self-employment tax. Multiply line 5 by 50% (0.50). Enter the result here and on Schedule 1 (Form 1040), line 27, or Form 1040NR, line 27	6	3,993.

BAA For Paperwork Reduction Act Notice, see your tax return instructions.

Schedule **SE** (Form 1040) 2018

Depreciation and Amortization
(Including Information on Listed Property)

▶ Attach to your tax return.

▶ Go to www.irs.gov/Form4562 for instructions and the latest information.

OMB No. 1545-0172

2018Attachment
Sequence No. 179

Name(s) shown on return

DIEGO J. MARTINEZ

Business or activity to which this form relates

Identifying number

Schedule C - DM SERVICES**Part I Election To Expense Certain Property Under Section 179****Note:** If you have any listed property, complete Part V before you complete Part I.

1	Maximum amount (see instructions)	1	1,000,000.
2	Total cost of section 179 property placed in service (see instructions)	2	
3	Threshold cost of section 179 property before reduction in limitation (see instructions)	3	2,500,000.
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	5	
6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
7	Listed property. Enter the amount from line 29	7	
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	
9	Tentative deduction. Enter the smaller of line 5 or line 8	9	
10	Carryover of disallowed deduction from line 13 of your 2017 Form 4562	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5. See instrs.	11	
12	Section 179 expense deduction. Add lines 9 and 10, but don't enter more than line 11	12	
13	Carryover of disallowed deduction to 2019. Add lines 9 and 10, less line 12	13	

Note: Don't use Part II or Part III below for listed property. Instead, use Part V.**Part II Special Depreciation Allowance and Other Depreciation (Don't include listed property. See instructions.)**

14	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year. See instructions	14	
15	Property subject to section 168(f)(1) election	15	
16	Other depreciation (including ACRS)	16	

Part III MACRS Depreciation (Don't include listed property. See instructions.)**Section A**

17	MACRS deductions for assets placed in service in tax years beginning before 2018	17	
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here		

Section B - Assets Placed in Service During 2018 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only - see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19 a 3-year property						
b 5-year property		15,500.	5	MQ	200DB	775.
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs		S/L	
h Residential rental property			27.5 yrs	MM	S/L	
i Nonresidential real property			27.5 yrs	MM	S/L	
			39 yrs	MM	S/L	

Section C - Assets Placed in Service During 2018 Tax Year Using the Alternative Depreciation System

20 a Class life					S/L	
b 12-year			12 yrs		S/L	
c 30-year			30 yrs	MM	S/L	
d 40-year			40 yrs	MM	S/L	

Part IV Summary (See instructions.)

21	Listed property. Enter amount from line 28	21	
22	Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations - see instructions	22	775.
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

Paid Preparer's Due Diligence ChecklistEarned Income Credit (EIC), American Opportunity Tax Credit (AOTC), Child Tax Credit (CTC) (including the Additional Child Tax Credit (ACTC) and Credit for Other Dependents (ODC)), and Head of Household (HOH) Filing Status
▶ To be completed by preparer and filed with Form 1040, 1040NR, 1040SS, or 1040PR.▶ Go to www.irs.gov/Form8867 for instructions and the latest information.**2018**Attachment
Sequence No. **70**

Taxpayer name(s) shown on return

DIEGO J. MARTINEZ

Enter preparer's name and PTIN

Taxpayer identification number

Part I Due Diligence Requirements

Please check the appropriate box for the credit(s) and/or HOH filing status claimed on this return and complete the related Parts I-V for the benefit(s), and/or HOH filing status claimed (check all that apply).

EIC

☐CTC/
ACTC/ODC☒

AOTC

☐

HOH

☒

- 1**
- Did you complete the return based on information for tax year 2018 provided by the taxpayer or reasonably obtained by you?.....

☒ Yes☐ No

- 2**
- If credits are claimed on the return, did you complete the applicable EIC and/or CTC/ACTC/ODC worksheets found in the Form 1040, 1040SS, 1040PR, or 1040NR instructions, and/or the AOTC worksheet found in the Form 8863 instructions, or your own worksheet(s) that provides the same information, and all related forms and schedules for each credit claimed?.....

☒ Yes☐ No☐ N/A

- 3**
- Did you satisfy the knowledge requirement? To meet the knowledge requirement, you must do both of the following.

- Interview the taxpayer, ask questions, and document the taxpayer's responses to determine that the taxpayer is eligible to claim the credit(s) and/or HOH filing status.
- Review information to determine that the taxpayer is eligible to claim the credit(s) and/or HOH filing status and the amount of any credit(s) claimed

☒ Yes☐ No

- 4**
- Did any information provided by the taxpayer or a third party for use in preparing the return, or information reasonably known to you, appear to be incorrect, incomplete, or inconsistent? (If "Yes," answer questions 4a and 4b. If "No," go to question 5.)

☐ Yes☒ No

- a**
- Did you make reasonable inquiries to determine the correct, complete, and consistent information?.....

☐ Yes☐ No

- b**
- Did you document your inquiries? (Documentation should include the questions you asked, whom you asked, when you asked, the information that was provided, and the impact the information had on your preparation of the return.)

☐ Yes☐ No

- 5**
- Did you satisfy the record retention requirement? To meet the record retention requirement, you must keep a copy of your documentation referenced in 4b, a copy of this Form 8867, a copy of any applicable worksheet(s), a record of how, when, and from whom the information used to prepare Form 8867 and any applicable worksheet(s) was obtained, and a copy of any document(s) provided by the taxpayer that you relied on to determine eligibility for the credit(s) and/or HOH filing status or to compute the amount of the credit(s).....

☒ Yes☐ No

List those documents, if any, that you relied on.

- 6**
- Did you ask the taxpayer whether he/she could provide documentation to substantiate eligibility for the credit(s) and/or HOH filing status and the amount of any credit(s) claimed on the return if his/her return is selected for audit?

☒ Yes☐ No

- 7**
- Did you ask the taxpayer if any of these credits were disallowed or reduced in a previous year?.....
-
- (If credits were disallowed or reduced, go to question 7a; if not, go to question 8.)....

☒ Yes☐ No☐ N/A

- a**
- Did you complete the required recertification Form 8862?.....

☐ Yes☐ No☐ N/A

- 8**
- If the taxpayer is reporting self-employment income, did you ask questions to prepare a complete and correct Form 1040, Schedule C?.....

☒ Yes☐ No☐ N/A

Part II Due Diligence Questions for Returns Claiming EIC (If the return does not claim EIC, go to Part III.)

	EIC	CTC/ ACTC/ODC	AOTC	HOH
9a Have you determined that this taxpayer is, in fact, eligible to claim the EIC for the number of children for whom the EIC is claimed, or to claim the EIC if the taxpayer has no qualifying child? (Skip 9b and 9c if the taxpayer is claiming the EIC and does not have a qualifying child.)	☐ Yes ☐ No			
b Did you ask the taxpayer if the child lived with the taxpayer for over half of the year, even if the taxpayer has supported the child the entire year?	☐ Yes ☐ No			
c Did you explain to the taxpayer the rules about claiming the EIC when a child is the qualifying child of more than one person (tiebreaker rules)?	☐ Yes ☐ No ☐ N/A			

Part III Due Diligence Questions for Returns Claiming CTC/ACTC/ODC (If the return does not claim CTC, ACTC, or ODC, go to Part IV.)

	EIC	CTC/ ACTC/ODC	AOTC	HOH
10 Have you determined that each qualifying person for the CTC/ACTC/ODC is the taxpayer's dependent who is a citizen, national, or resident of the United States?		☒ Yes ☐ No		
11 Did you explain to the taxpayer that he/she may not claim the CTC/ACTC if the taxpayer has not lived with the child for over half of the year, even if the taxpayer has supported the child, unless the child's custodial parent has released a claim to exemption for the child?		☒ Yes ☐ No ☐ N/A		
12 Did you explain to the taxpayer the rules about claiming the CTC/ACTC/ODC for a child of divorced or separated parents (or parents who live apart), including any requirement to attach a Form 8332 or similar statement to the return?		☒ Yes ☐ No ☐ N/A		

Part IV Due Diligence Questions for Returns Claiming AOTC (If the return does not claim AOTC, go to Part V.)

	EIC	CTC/ ACTC/ODC	AOTC	HOH
13 Did the taxpayer provide the required substantiation for the credit, including a Form 1098-T and/or receipts for the qualified tuition and related expenses for the claimed AOTC?			☐ Yes ☐ No	

Part V Due Diligence Questions for Claiming HOH (If the return does not claim HOH filing status, go to Part VI.)

	EIC	CTC/ ACTC/ODC	AOTC	HOH
14 Have you determined that the taxpayer was unmarried or considered unmarried on the last day of the tax year and provided more than half of the cost of keeping up a home for the year for a qualifying person?				☒ Yes ☐ No

Part VI Eligibility Certification

► You will have complied with all due diligence requirements for claiming the applicable credit(s) and/or HOH filing status on the return of the taxpayer identified above if you:

- Interview the taxpayer, ask adequate questions, document the taxpayer's responses on the return or in your notes, review adequate information to determine if the taxpayer is eligible to claim the credit(s) and/or HOH filing status and to determine the amount of the credit(s) claimed;
- Complete this Form 8867 truthfully and accurately and complete the actions described in this checklist for any applicable credit(s) claimed and HOH filing status, if claimed;
- Submit Form 8867 in the manner required; and
- Keep all five of the following records for 3 years from the latest of the dates specified in the Form 8867 instructions under *Document Retention*.
 - A copy of Form 8867;
 - The applicable worksheet(s) or your own worksheet(s) for any credit(s) claimed;
 - Copies of any documents provided by the taxpayer on which you relied to determine eligibility for the credit(s) and/or HOH filing status;
 - A record of how, when, and from whom the information used to prepare this form and the applicable worksheet(s) was obtained; and
 - A record of any additional questions you may have asked to determine eligibility to claim the credit(s), and/or HOH filing status and the amount(s) of any credit(s) claimed and the taxpayer's answers.

► If you have not complied with all due diligence requirements, you may have to pay a \$520 penalty for each failure to comply related to a claim of an applicable credit or HOH filing status.

15 Do you certify that all of the answers on this Form 8867 are, to the best of your knowledge, true, correct, and complete?	☒ Yes ☐ No
---	---

Client 443

DIEGO J. MARTINEZ

7/07/21

11:42AM

**Statement 1
Form 1040, Page 2
Penalties**

Tax Due Before Penalties.....	\$	9,783.
Late Payment.....		245.
Interest.....		182.
Grand Total Tax Due	\$	<u>10,210.</u>

**Statement 2
Schedule 1, Line 21
Computation of 2018 Taxable Income for NOL Utilization**

Taxable income (Form 1040, line 10)	31,510.
Plus: NOL carryovers from 2017 and later years	<u>3,021.</u>
2018 Taxable income before NOL deduction	<u>34,531.</u>

**Statement 2
Schedule 1, Line 21
2017 NOL Utilization**

Initial Loss	3,021.
NOL carryover available in 2018	<u>3,021.</u>
Taxable income before NOL deduction	34,531.
NOL absorbed this Year	<u>3,021.</u>
Taxable income after NOL deduction	31,510.
NOL carryover to 2019	0.

12/31/18

2018 Federal Depreciation Schedule

Page 1

Client 443

DIEGO J. MARTINEZ

7/07/21

11:42AM

No.	Description	Date Acquired	Date Sold	Bus. Pct.	Cost/ Basis	Cur 179/ Bonus	Special Dep. Allow.	Prior 179/ Bonus/ Sp. Dep.	Prior Dec. Bal. Dep.	Salvage /Basis Reductn	Depr. Basis	Prior Depr.	Method	Life	Rate	Current Depr.
Schedule C - DM SERVICES																
1	OFFICE EQUIPMENT **	12/15/18			15,500						15,500		200DB MQ	5	.05000	775
Total					15,500	0	0	0	0	0	15,500	0				775
Total Depreciation					15,500	0	0	0	0	0	15,500	0				775
Grand Total Depreciation					15,500	0	0	0	0	0	15,500	0				775

**Asset included in unadjusted basis immediately after acquisition for the QBI calculation.